

1 Estate of Marilyn Monroe: LASC No. 458,935

2

3 A. EXTRAORDINARY SERVICES OF ANCILLARY EXECUTOR

5 The ancillary executor advised and consulted with  
6 respect to all the matters set forth in the statement relating  
7 to extraordinary attorneys' fees set forth above. In  
8 connection, further, said attorneys consulted with the  
9 ancillary executor with respect to all decisions throughout  
10 the entire period of almost fourteen years that this estate  
11 has been in the process of administration. The ancillary  
12 executor made four trips to California during said period of  
13 time to supervise the handling of decedent's affairs in this  
14 state.

15  
16 Without limiting the generality of the foregoing,  
17 the ancillary executor's extraordinary services with respect  
18 to the administration specifically included: (1) advice,  
19 consultation and decision-making with respect to the sale of  
20 the real and personal property, as set forth above in the Petition  
21 to which this Exhibit is attached; (2) assistance in determina-  
22 tion of all matters relative to the California Inheritance Tax  
23 Affidavit, including location of witnesses and procuring  
24 their affidavits as to decedent's intention with regard to her  
25 residence in California; and (3) consultation, review, fact-  
26 finding and decision-making with respect to the claims and  
27 litigation independent of the California fiduciary income tax

EXHIBIT C

(2)

SFA10184

1 Estate of Marilyn Monroe: LASC No. 458,935

2 liability of the estate more particularly described in  
3 Section C of this Exhibit III.

4 Petitioner estimates that his said extraordinary  
5 services, over the period of almost fourteen years, ...  
6 more than one hundred forty (140) hours.

EXHIBIT III

(3)

56A1 0485

1 Estate of Marilyn Monroe: LASC No. 458,935

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3 C. EXTRAORDINARY SERVICES OF GANG, TYRE &

4 BROWN, ATTORNEYS FOR ANCILLARY EXECUTOR

5

6 1. Extraordinary services in connection with  
7 the preservation of assets:

8 Upon the death of decedent, petitioner's attorneys

9 immediately examined decedent's property; cooperated in

10 supplying information in connection with the decedent's estate;

11 handled conferences with the press and media concerning

12 to the decedent and her affairs; negotiated and supervised

13 the disposition of decedent's pet dog; arranged for continuing

14 housekeeping services during the period immediately following

15 decedent's death and for secretarial services to be rendered.

16 Replying to the thousands of letters (literally) received following

17 owing decedent's death; arranged to have private detective

18 guard decedent's home day and night; arranged for the bank

19 which held the encumbrance on the property to advance funds

20 and take no steps to declare a default until such time as

21 moneys could be provided through a sale of the property; and

22 arranged for the Special Administratrix to be appointed so

23 that any loss or waste to the estate could be minimized.

24 Petitioner's attorneys allege that they expended

25 more than 25 hours in connection with the above services. All

26 of which were of an emergency nature.

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EXHIBIT III

(18)

SFAZ 0786

1 Estate of Marilyn Monroe: LASC No. 453,935

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3       2. Sale of Real Property:

4             After the appointment of the ancillary executor,

5 petitioner's said attorneys supervised the sale of

6 home and some of the personal property which

7 involved the preparation and publication of a Notice

8 of Real and Personal Property As a Unit for Private Sale

9 preparation of a bid form with respect to the property, copies

10 of which were circulated among a number of real estate brokers

11 age houses; conferences with Mrs. Nelson, who was in charge

12 showing the premises to prospective purchasers; negotiations

13 with the ultimate bidder to obtain the best possible purchase

14 price; preparation of Return of Sale of Real and Personal

15 Property as a Unit; attendance at the court hearing thereon;

16 preparation of the Order Confirming Sale and the Executor's

17 Deed, and following through with respect to all of the details

18 of the escrow until the transaction was finally complete.

19             Petitioner's attorneys estimate that they expended

20 not less than twenty (20) hours in connection with the foregoing.

21       3. Disposition of furniture and furnishings

22             Since there were no special provisions made for

23 the furniture and furnishings of the decedent and since it

24 was believed that many of them would have a substantial

25 value, either intrinsically or because of association with

26 the decedent, it was necessary to specifically inventory and

27 ...

28 ...

EXHIBIT III

(19)

SFA1 0187

1   Estate of Marilyn Monroe:     LASC No. 459,035

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3   arrange for storage of all of the items involved. However,

4   before the furniture and furnishings were

5   chaser of the real property requested the

6   buying certain of the items that were

7   for use in the house. Petitioner's attorneys, however,

8   met with the buyer, so that the latter could designate which

9   items he desired. Thereafter, petitioner's attorneys had

10   these items separately appraised so that they

11   at not less than the appraised value, and prepared the

12   Return of Sale of Personal Property and the Order Hand

13   thereon, and drew the necessary documents to complete the

14   transaction. Said attorneys then arranged with the County

15   Administratrix so that prior to delivery of possession of the

16   house to the buyer, all the remaining items of furniture and

17   furnishings could be boxed and stored with a warehouse.

18       Petitioner's said attorneys estimate that they

19   expended ten (10) hours in connection with the foregoing ser-

20   vices.

21   4. Extraordinary Services Re Creditors' Claims:

22       Following decedent's death, there were thirty-five

23   creditors' claims filed against the estate in California.

24       While petitioner's attorneys recognize that the prosecution

25   of creditors' claims is part of the normal duties of admin-

26   istration, for which statutory fees are allowed, said

27   ...

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1 Estate of Marilyn Monroe: LASC No. 458,935

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3 attorneys point out that, in this estate, a portion of the  
4 services were extraordinary in that there was no one lawyer in  
5 a position to advise as to the accuracy of the claims or  
6 or the extent of decedent's outstanding debts.  
7 In consequence, said attorneys had to make individual  
8 negotiations with respect to said claims, which involved, among  
9 other things, separate meetings with many of the claimants  
10 to examine into the nature of the claim.

11 Furthermore, in connection with the claim of Mrs.  
12 Bright, the interior decorator, it was necessary to analyze  
13 a large number of items to determine whether there was a  
14 firm commitment or merely a proposed estimate which could  
15 be canceled. In this connection, petitioner's attorney  
16 arranged to cancel an order for a rug from Mexico, which had  
17 been ordered and woven to size in Mexico and was at that time  
18 being held for delivery. In addition, there were demands  
19 from the Los Angeles Bureau of Customs regarding a carton  
20 containing a specifically constructed chest, which the Bureau  
21 of Customs was holding for transportation and storage charges.

22 Upon investigation, it appeared that the decedent had paid  
23 \$360.00 for the chest and that the total charges to redeem  
24 amounted to approximately \$300.00. After several consulta-  
25 tions with the interior decorator, petitioner's attorney  
26 recommended to the ancillary executor that the chest not be  
27 ...  
28 ...

1 Estate of Marilyn Monroe: LASC No. 458,935

2  
3 redeemed but that the Bureau of Customs be allowed to sell  
4 it for the charges.

5 In connection with the creditor's claim,

6 Artists, Ltd., said attorneys were engaged to handle  
7 extensive agency contracts in order to advise the ancillary  
8 executor as to the basis for the claim and its propriety.

9 Subsequently, when the time came to pay the claims, said  
10 attorneys suggested to the ancillary executor the idea of  
11 whereby the creditor's claim of MCA Artists, Ltd., would be  
12 paid out of the domiciliary probate estate in New York, so  
13 that the claim, including the contingent portion thereof,  
14 could be released in California, the ancillary administration  
15 be released in California and the administration terminated.  
16 Said attorneys, further, handled the negotiations with respect  
17 thereto, insofar as the California representatives of the  
18 claimant were involved.

19 Petitioner's said attorneys estimate that their services  
20 in connection with the handling of those aspects of the  
21 creditors' claims set forth above, over and apart from the  
22 normal services of handling creditors' claims, involved ap-  
23 proximately twenty-five (25) hours of time.

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1 Estate of Marilyn Monroe: LASC No. 458,935

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3 5. Extraordinary Services Re Tax Matters:

4 (a) Although decedent's domiciliary probate was  
5 handled in New York, decedent resided  
6 in California and owned real property here at  
7 the time of her death. Petitioner's attorney  
8 rendered services in connection with the preparation of the

9 California Inheritance Tax Affidavit and Affidavit

10 Concerning Residence, together with supporting affidavits, in order to establish that decedent was a  
11 nonresident of California at the time of her death,  
12 and in order to assemble and segregate correctly  
13 those items of receipts and expenses attributable  
14 to California for assessment. Petitioner's attorney  
15 corresponded with and interviewed several persons  
16 with respect to decedent's nonresident status, sug-  
17 gested to the ancillary executor the types of evidence  
18 to be secured to substantiate this position and  
19 prepared various affidavits which were submitted in  
20 support of such position. Said attorney engaged in  
21 correspondence with the California State Controller's  
22 office, explaining in detail their factual and legal  
23 position and ultimately were successful in obtaining  
24 a determination that decedent was not a resident of  
25 California at the time of her death. As a result of  
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1      Estate of Marilyn Monroe: LASC No. 458,935

2  
3      such determination, none of decedent's contract rights  
4      were included in measuring such tax in California.

5      Petitioner's attorneys assembled the  
6      information with respect to the California assets  
7      and obligations of decedent for the preparation  
8      of a Federal Estate Tax Return and in connection with a  
9      Notice of Levy from the U.S. Treasury Department,  
10     Internal Revenue Service, for federal estate taxes  
11     in the sum of approximately \$135,000.00 which was  
12     served on said attorneys, and worked with the  
13     domiciliary executor in ultimately obtaining the  
14     necessary evidence of payment and the formal  
15     Release of Levy.

16      Said attorneys allege that they expended  
17     more than twenty (20) hours in connection with the  
18     foregoing complicated tax matters.

19      (b) Upon decedent's death, her estate became  
20     entitled to a percentage of the receipts  
21     from various motion pictures, including "Some Like It  
22     Hot" and "The Misfits", on a continuing basis. The  
23     moneys involved were paid to the domiciliary executor  
24     in New York and income tax returns reporting such  
25     receipts were filed, and taxes paid thereon, in my office.

26      In 1971, when the ancillary executor herein  
27     prepared to file his Petition for Final Distribution,

1   Estate of Marilyn Monroe:   LASC No. 458,935

3                         he sought an Income Tax Certificate from the  
4                         Franchise Tax Board in accordance with the then  
5                         applicable requirements of law. The Franchise  
6                         Tax Board responded with a claim that defendant  
7                         owed the State of California fiduciary income  
8                         taxes for the years 1963 through 1970, based upon  
9                         the estate's share of gross receipts from the  
10                        above entitled pictures attributable to defendant's  
11                        services rendered in California.

12                       In accordance with instructions furnished  
13                        by petitioner's attorneys herein, the accountants  
14                        for the estate prepared appropriate fiduciary income  
15                        tax returns for the years in question and submitted  
16                        them to the Franchise Tax Board under protest.

17                       Extensive negotiations and discussions were then  
18                        carried on between said attorneys and representa-  
19                        tives of the Franchise Tax Board with respect to  
20                        the legal position of the estate that such income  
21                        was not subject to tax. After considering the legal  
22                        arguments asserted by the attorneys herein, the

23                       Franchise Tax Board served notice of proposed asse-  
24                        ments of tax against the ancillary executor for the  
25                        years 1963 through 1970. Petitioner, through  
26                        his attorneys, appealed from such assessments.

1   Estate of Marilyn Monroe: LASC No. 458,935

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3         The point in issue in the proceedings was  
4         completely novel point of law; namely, whether the  
5         California Revenue and Taxation Code and regulations  
6         thereunder permitted the taxation.

7         source income of receipts from contracts which had  
8         been valued for tax purposes as assets of decedent's  
9         domiciliary estate and were passively received by  
10        such domiciliary estate outside of California.  
11        question involved matters of constitutional law,  
12        statutory construction and the interpretation  
13        of the Franchise Tax Board's own rulings.

14         Extensive research was carried on by said  
15        attorneys, both with respect to the facts and the  
16        law; an opening brief and a reply brief were filed  
17        in support of the estate's position. The matter  
18        came on for hearing before the Board of Equaliza-  
19        tion and was orally argued at length before the said  
20        Board in December, 1973.

21         In 1975, the Board of Equalization ultimately  
22        affirmed the Franchise Tax Board's determination of  
23        tax. The taxes, penalties and interest involved  
24        totaled approximately \$93,000. Before determining  
25        whether or not to appeal further, said attorneys  
26        discussed with the Franchise Tax Board, and subse-  
27        quently with the California Attorney General's office,

28        ...

EXHIBIT III

(26)

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1 Estate of Marilyn Monroe: LASC No. 458,935

2  
3 the possibility of settlement. Negotiations were  
4 conducted on the basis that this was a matter of  
5 first impression, that there were substantial  
6 issues of law which the courts would have to  
7 upon, and that it was advantageous both to  
8 State and to the estate to dispose of the matter  
9 as promptly as possible on a reduced basis.

10 Ultimately, after said attorneys, with the approval  
11 of petitioner, had prepared and submitted various  
12 proposals, the State of California agreed to a  
13 settlement which waived all penalties and accepted  
14 the sum of approximately \$52,000, as payment in  
15 full. The domiciliary estate supplied a substan-  
16 tial portion of the funds necessary to make this  
17 settlement possible. Said attorneys reviewed and  
18 approved the settlement documents prepared. Said  
19 attorneys then prepared a Petition for Order  
20 of Approval of Settlement Agreement, and after  
21 presentation of the same and after approval by  
22 the Court, prepared the Order of Approving Compro-  
23 mise. Payment has been effected and the action  
24 has been dismissed.

25 In the preparation of the briefs, negotiations,  
26 hearing, argument and settlement procedures, said  
27 attorneys have expended in excess of one hundred  
28 (100) hours.

EXHIBIT III

(27)

SFA1018